

**MINUTES OF A MEETING OF THE LEARNING AND SKILLS SCRUTINY  
COMMITTEE HELD BY ZOOM ON FRIDAY, 10 FEBRUARY 2023**

**PRESENT**

County Councillor R G Thomas (Chair)

County Councillors: A Davies, C Kenyon-Wade, L Roberts, L Rijnenberg, G Morgan, D Bebb.

Co-opted Members: K Chedgzoy, S Davies, M Evitts.

Cabinet Portfolio Holders in Attendance: P Roberts, D A Thomas, J Charlton.

Officers: Clive Pinney, Lynette Lovell, Emma Palmer, Georgie Bevan, Jane Thomas, Mari Thomas, Sarah Quibell, John Forsey, Wyn Richards.

<b>1. APOLOGIES</b>
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Apologies for absence were received from:

County Councillors: D Meredith, G D Jones, and B Davies

Officers: Dr C Turner, N Brinn, M Perry, N Owen.

<b>2. DISCLOSURES OF INTEREST</b>
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There were no declarations of interest from Members relating to items for consideration on the agenda.

<b>3. DECLARATIONS OF PARTY WHIP</b>
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The Committee did not receive any disclosures of prohibited party whips which a Member has been given in relation to the meeting in accordance with Section 78(3) of the Local Government Measure 2011.

<b>4. SCHOOL TRANSPORT</b>
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**Documents Considered:**

Home to School Transport Presentation provided by John Forsey, Snr Manager, Corporate Fleet and Transport.

**Questions:**

<b>Question</b>	<b>Response</b>
As there is a large amount of savings required, are further changes are being reviewed within School Transport, could this be elaborated upon?	Officer Response: In terms of change Operational changes have been made within the school transport network and do not anticipate further changes in the near future.
In relation to the School Transport and	Officer Response:

<p>the issues raised in December, the reaction Councillors received from constituents, along with the negative press, Committee seek assurance that the issues have been rectified.</p>	<p>A “What went wrong analysis” has been completed. 4 key themes were requiring prompt attention via an action plan:          Communication – a robust communication plan to link the PTAM system and the My Powys accounts to almost personalised, targeted communication to specific users and / their parents advising of any bus timetable changes. Timescale for this work to be completed is Sept 2023.          Staffing resource was a contributory factor, be that due to sickness or new staff in a relatively small team. It was found that working from home, rather than in an office environment, hindered work output, resulting in deadlines missed. Further work being explored with Team members to inform when workload pressures increase.</p>
<p>There appear to be some unachievable savings, with more to make, other than operational costs how do you identify to achieve the savings?</p>	<p>Officer Response:          Within the first week, the majority of the issues raised were rectified.           The Service where able would manage costs down, at a time of increased costs.          The cost of diesel has continued to fluctuate, global supply chains have wreaked havoc on the maintenance of vehicle; tyres, spare parts, and Ad-Blu, impacting not only the PCC fleet but our Operators.          In addition, the service has to react when new families move into a remote areas of Powys to provide School Transport, with increased cost pressures of £15-£20k per annum.</p>
<p>Is the £2m spend on local bus services net or gross spend?</p>	<p>Officer Response:           That is a net spend. Overall spend on public transport is £5.5m, when take into consideration income generated from buses and grants from Welsh Government net figure is approx. £1.9m.</p>
<p>Was the decision not to proceed with PSVAR a Cabinet or Service led?</p>	<p>Officer Response:          This was a regulatory position, some</p>

	<p>operators have made the investment and vehicles are PSVAR compliant, the legal stance would be that we could sell vacant seats on those specific vehicles, which would not allow for equity across the County.</p>
<p>From what date did the regulation change to PSVAR?</p>	<p>Officer Response: 1st January 2020, after exemptions given for operators to demonstrate transition of fleets from standard vehicles to PSVAR.</p>
<p>How would operators be incentivised to speed up fleet transition to be PSVAR compliant?</p>	<p>Officer Response: Could be reviewed when future contracts are out for tender or renewal.</p>
<p>It would help the Council financially, if charges could be made on vacant seats for those vehicles and routes where PSVAR compliance has been reached. An environmental benefit could also be made if children and families were to utilise school transport.</p>	<p>Officer Response: Whilst it makes sense to have more pupils using the school bus service, the amount of income that would be generated would be difficult to ascertain. Operators may have converted newer stock at a costs of between £25-£40k per vehicle, applied across the 200 coaches used, is a significant cost, which if an operator's main contract is with the Council, that expense will need to be re-couped. Further in-depth analysis of contract costs would be required to establish the net effect of all operators being compliant and the income that could be generated. The pre-COVID income generated from vacant seats was approximately £40k per annum.</p>
<p>Would 6<sup>th</sup> Form pupils continue to be transported throughout the school day or use e-Ysgol to reduce the amount of travel required?</p>	<p>Officer Response: Arrangement continues as is for the 6<sup>th</sup> form Year 12/13 pupils, with more robust arrangements from the Sept 2023 intake.</p>
<p>Operators do not have to make the change, if solely operating for the school bus service.</p>	<p>Officer Response: If an operator's business model is purely private hire, they do not have to change. However, there is an element whereby if the Council purchased 1 seat, they would have to comply.</p> <p>Cabinet Member Response:</p>

	<p>The subject of paying on school buses is a discussion raised frequently with Cabinet and to review ways to overcome the issues. Preference remains to use local bus operators rather than National, whilst acknowledging it is more difficult for smaller operators to attain PSVAR compliance.</p>
<p>The delay does not appear to align with the Council's Green Agenda, there are compliant Operators with newer and possibly less environmentally damaging fleets, and those operators who are not, consideration must be given when contracts are to be reviewed.</p>	<p>no response to comment.</p>
<p>The bus card issued is QR code based, would chip technology be used moving forward easier for drivers to operate.</p>	<p>Officer Response: We have begun roll-out of chip based contactless cards, following feedback from bus operators and school learners.</p>
<p>Assurance sought that any consultations and communications in respect of schools' transport would not only be targeted at those who currently use school transport?</p>	<p>Officer Response: The aim would be to link the My Powys account holders (approx. 60k) to the PTAM system, the point made could be built into the wider review.</p>
<p>Confirmation sought of irregularities within the school transport system with buses passing children going to different schools, dependent on catchments. The policy does not allow for flexibility within the system particularly where there are empty seats.</p>	<p>Officer Response: An operator may be located in one part of the County, providing a service in another catchment area to transport children back to their assigned school. If the contractor changes at a later date through contract review, that particular journey may not be used therefore would cause further complications down the line</p>
<p>The Council could review flexibility to support parental choice through the transport policy.</p>	<p>Cabinet Member Response: Cabinet do review appeals with the view to emerging trends. The Transport Policy possibly needs to be reviewed; however, it is felt to review the policy once in receipt of the outcomes of the new Transport measure the most prudent approach. The Catchment maps have only just been set, alongside other measures</p>

	i.e., the digitisation of the schools' admission process to give clarity to parents.
A map shared in the presentation showed pupils being collected "off - route," if an actual occurrence provides evidence of flexibility by operators in practice	Officer Response: It is an actual map; however, those particular learners have qualified and are entitled to school transport, the bus operator for whatever reason has travelled to collect them
When would bus contracts be renewed or tendered?	Officer Response: Current contracts are due to expire 2025
Documentation provided gave the average learner scan per journey would it be more beneficial to have the peak number, therefore appropriately sized vehicles would be utilised per journey?	Officer Response: The bus used could be a feeder vehicle for connection to other school buses, i.e., high school pupils dropped at a point to meet a dedicated high school bus, whilst the original vehicle may proceed to the primary school.

**Outcomes:**

Scrutiny made the following observations:

- The Committee welcomed:
  - That the issues encountered in December relating to Home to School transport in the south of the County, have been rectified, with a robust action plan enacted following completion of a detailed analysis.
  - The introduction of the roll-out of a chip based contactless card for our Home to School transport users.
  - That any future communications and consultations will not be limited to those individuals and families who use Home to School Transport
  
- The Committee noted:
  - The current Operator contracts are due to expire in 2025.
  
- The Committee expressed concern:
  - That the amount of savings required by the Service would not be achievable given the current inflationary and global supply chain pressures.
  - At the pace of some Operators to transition and comply with regulations under the PSVAR, to the point where this could become detrimental to other operators able to offer vacant seats.
  - That the current policy does not allow for flexibility where there are vacant seats, nor in supporting parental choice.

**There were no recommendations to the Cabinet.**

**5. AMENDMENT TO THE BUDGET PROPOSED 2023-2024**

**Documents Considered:**

- Report of the Amendment to the Budget Proposal 2023-2024:  
The set-up of a one off £500k fund to support energy costs and energy efficiency measures in schools. The fund will be held in the Schools Delegated contingency budget.

Presentation given by G Bevan, Head of Schools Service

The £500k for 2023-2024 only is to be funded via the following elements:

- £22k – reduction in “External providers increase in travel” pressure (providers of Adult Social Care)
- £287 – redirection of use of reserves for Freedom Leisure energy costs as no longer required.
- £191k – further reduction in revenue contribution to Vehicle & Equipment Replacement Reserve

**Principles**

- Still an expectation that schools and governing bodies are responsible for managing their own budget.
- Schools service will continue to work alongside schools to support in identifying savings.
- The fund is not intended to be distributed through the formula.
- A range of heating systems, energy sources and efficiency conditions are in place across the schools’ estate.
- Will support Cabinets priorities for a Stronger, Fairer, Greener Powys
- To work with Property and energy Management colleagues to develop clear criteria and methodology for distribution to schools.
- Emphasis on permanent, sustainable energy use reductions
- Will complement the £2.2m capital grant for energy efficiency works for schools and maintenance.

**Additional information**

- Schools have received £3.6m revenue maintenance grant since 2020-21
- Major Improvements budget of £1m currently for 2022-2023 is used for emergency repairs.

**Questions:**

Question	Response
<p>Committee seeking further assurance as to how the £500k would be distributed ensuring equity across the schools’ estate. In addition is the fund limited to heating and energy or could this be used elsewhere?</p>	<p>Officer Response: This is a one-off fund to support schools through the current energy pressures. A clear methodology will be agreed between Property, Maintenance and Schools Services to define how funding will be distributed. These funds will not be used to top-up a school that is in deficit.  The Service will continue to work with</p>

	<p>schools to look at energy saving methods available in collaboration with the green energy agenda.</p>
<p>What will happen if schools are in deficit and commence redundancy processes, and funds are made available for energy costs, therefore no longer required?</p>	<p>Officer Response: Discussion continues to take place with schools, via the Schools Service, Finance &amp; HR Officers, as a team we would be aware of any school finding itself in that position. If a school does find itself in a position as described, then the schools service has an open door for full and frank conversations prior to looking at staffing numbers.</p>
<p>Cabinet have considered further the potential impact on School budgets as they respond to the increase in energy costs, particularly those who are already struggling to balance their budgets. Pressures may not be energy cost related, the most significant pressure facing schools is staff wage increases, unsure how the two could be separated?</p>	<p>Officer Response: This fund is potentially to support both elements. There will be a clear definition and criteria, of which schools would be able to request support from. The criteria will have to evidence that schools have undertaken all the work they can to reduce the impact of the pressures they are facing. If criteria evidenced the fund will be considered in terms of additional support, whilst considering energy efficient measures. Schools will have to provide a robust business case demonstrating the meeting of the criteria.  It was suggested that a panel be established to review business cases for which schools benefit from the fund.</p>
<p>It was requested that the Committee have sight of the definition and criteria prior to sign off, especially given the short turnaround from April to having to submit budgets in May. It is difficult to see how this fund is going to give significant help to schools to stop, in particular, Secondary Schools going into a deficit position.</p>	<p>Cabinet Member Response Once the budget is passed, it will be run through the school's formula and arrive at a similar time to previous years, during the second half of this term. Since the autumn term, schools have been working with Finance Officers and the Schools Service on indicative figures, with plans significantly progressed. It is with the improved situation in Q3 after the budget was set, that has enabled a review to address these significant concerns.</p>
<p>Request for further information on the</p>	<p>Officer Response:</p>

<p>supply teacher savings of £720k.</p>	<p>This is an example of reviewed spend patterns across the estate, and therefore an indicative figure if all schools, Primary and Secondary Schools adopted the model.</p> <p>The secondary school funding formula consultation has been completed, which will also assist schools moving forward.</p> <p>There were discussions in the recent school's forum, around the use of the benchmarking tool to enable the finance team to look at spend and potential savings within school, Resources are available, we have identified other elements i.e., deprivation with a top-up from the impact of Covid.</p> <p>Whilst unable to discuss individual schools, in regard to supply teacher savings, there could be additional capacity through use of Cover Supervisors who could also assist with other elements. Decisions on individual school budgets remains with Head-Teachers and Governing Bodies</p>
<p>Would Cover Supervisor's be on zero-hour contracts? Are there zero-hour contracts within Powys Schools?</p>	<p>Officer Response: Cover Supervisors are part of the school structure, known to the pupils, providing a more supportive model than an external supply being used with increased costs. Permanently employed Cover Supervisors have been used in the Secondary Sector for years, and it is now an option in the Primary sector to review supply pressures and the current costs.</p> <p>Officer Response: Unable to comment on contracts.</p>
<p>Chair commented that at the Schools Forum meeting there was a general acceptance and welcome of the £500k, however, with concerns that this was not enough, or how equitably the fund would be distributed.</p> <p>Why is this fund not being distributed via the formula?</p> <p>The Impact Assessment does state there will be staff reductions.</p>	<p>Officer Response: There is a need to be mindful that this is a one-off fund, it is not recurring. To utilise it to support staffing would not be appropriate as only a "quick fix". The Service has noted that there is significant pressure as a result of energy costs, and in response, this fund has been set up to support. Energy pressures are facing all sectors of the Council and are having to be</p>



	<p>managed accordingly. The hope is the pressures will reduce, but over the longer term the FRM does acknowledge these pressures could remain into the future.</p> <p>The FRM and School Budget plan recognises that schools could only manage this level of pressure for one year, with a more permanent solution, if required, to be considered from Year 2.</p> <p>Cabinet Member Response: To distribute via the formula could leave some schools having a significant benefit, whilst others that are disproportionately affected by the energy crisis, due to the variety of heating systems throughout the school's estate, having a significant detriment. The formula is not the most equitable way of distributing these funds for this particular issue.</p> <p>Would welcome proactive suggestions for the criteria definitions from this Committee but would note that the Covid Recovery Funding was put in at a similar time and the criteria was disseminated later.</p>
<p>Request made for further information on how school are willing and or able to adopt the structure to include Cover Supervisors and what would the impact be on Primary Schools.</p> <p>How many Primary schools do we think would need to access the fund?</p>	<p>Officer Response: Most of our schools would state they are experiencing significant budget challenges, hence the need to develop at pace the criteria, to give clear definitions as to which schools are able to benefit.</p> <p>The fund will need to be targeted where there is the most need, with assistance and expertise from Property Management and Energy Services, in collaboration with Schools.</p>
<p>It has been noted that Scrutiny Committee comments would be welcomed when drawing up the definitions and criteria for the fund distribution, but also that the fund will be targeted where needed most. The Scrutiny Committee have not had information shared relating to those schools considered in most need, budget work was completed prior to Christmas and not shared with this</p>	<p>Officer Response: The £700k is included in the budget that will be put to council later this month.</p> <p>It is not included in the projected indicative figures schools have received, however is shown in the overall adjustments in base budget for the secondary sector.</p>

<p>Committee, therefore difficult to make suggestions or support without relevant information.</p> <p>Are the £700k changes in the funding formula, included in the base budget or is it additional within the delegated base budget?</p> <p>In table 5 of the budget agenda pack at the last Scrutiny meeting, there is an overall real-terms £4.7m deficit in the schools delegated budget, despite the additional £700k into the Secondary Sector. This would leave schools in difficult position leading into the next financial year.</p> <p>School reserves expected, at the end of this financial year, to be £3.75m less than the cut in the school funding going forward.</p>	<p>Officer Response:</p> <p>A point of clarity, this is not a cut in school budgets. The School budget is increasing by £4.5m. We acknowledge not all budget pressures faced by schools can be funded, but there is not a cut to budgets.</p>
<p>Opinion shared that the £500k would be best spent on energy saving measures, i.e., insulation, LED lighting, glazed windows, for many years the buildings have not been maintained.</p> <p>Targeting schools that could evidence they can reduce their energy costs would be most effective use of this one-off funding.</p> <p>Chair commented:</p> <p>There is an £80m backlog of maintenance works to be completed with only £2.2m put aside in the budget, there is not sufficient funds to complete measures suggested.</p> <p>A real terms cut still applies with the budget as set out, which does not assist the school maintenance plan.</p> <p>Chair responded to the Cabinet Member: That with respect decisions lie with Cabinet, Scrutiny can only advise or identify where savings could be made via the Committees observations. Scrutiny is trying to undertake its role with limited information available.</p>	<p>Cabinet Member Response:</p> <p>It is important to address this “Real terms cut” element. All services are facing a real terms cut, all additional monies from Welsh and UK Governments have passported into education. If there had been more funding, there would have been more that the Cabinet could have done. Would welcome challenge, guidance, and other options from Scrutiny.</p>
	<p>Cabinet Member Response:</p>

	<p>The £500k will be particularly helpful to schools. Cabinet have taken on board comments made at previous Scrutiny budget sessions and continue to do utmost to support schools.</p> <p>The belief is that with good financial management in schools, the support of Finance Officers and the Schools Service, major redundancies could be avoided.</p> <p>As explained at the last Finance Panel, due to historical factors, there may be some redundancies, where old budget deficit recovery plans are brought back into place.</p> <p>This budget itself does not create redundancies.</p> <p>All service areas have unfunded pressures, which cannot be fully funded due to the settlement received, which was below the rate of inflation.</p> <p>Cabinet are not responsible for setting Council Tax, they are responsible for making the recommendation, but in so doing, have to measure the impact on all residents of Powys, ensuring that any “pain” as a consequence on Services, is shared equitably.</p> <p>Members of this and other Committees have suggested Cabinet should fully fund pressures faced by schools, the monies are simply not there. If Cabinet were to fully fund any Service, as the budget sits currently, unless there are major developments, this could only be achieved by further cuts in Services or increased Council Tax.</p> <p>If Scrutiny wished to make a recommendations to Cabinet for consideration to increase Council Tax which would permit all pressures to be covered within schools, or that Scrutiny felt that schools were under unequitable pressure and cuts were to be made from other Services budgets.</p>
<p>Returning to the Cabinet Members point that there would be no staff</p>	<p>Cabinet Member Response: The budget in itself does not create</p>

redundancies, the CIP clearly stated reductions within the Education Service.	redundancies, potentially the way that the funding envelop in schools is managed could create redundancies, and the potential introduction of past budget deficit recovery plans has the potential to create redundancies.
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The Chair summarised that the Committee Members had been asked to consider the proposed amendment to the budget 2023-2024 by Cabinet, which is the distribution of the £500k fund, Members are uncomfortable in how the funds would be distributed, there is a lack of information available to Scrutiny in regard to the criteria and budget positions.

£500k is welcomed and the hope is that it will be distributed in a fair and equitable way.

**Scrutiny made the following observations:**

The Committee welcomed:

- The establishment of the energy management fund.

The Committee noted:

- That schools are responsible for managing individual budgets and to try and do as much as possible to address budget pressures and identify potential savings. The School's Service was continuing to work with schools to identify potential savings, although the final decision was for the Headteacher and Governing Body.
- That rolling out the Cover Supervisor model (which was currently in place in secondary schools) to all schools could potentially save £720k across the county and was a decision for Headteachers and Governing Bodies.
- That the intention was not to distribute the fund through the formula and a clear definition and criteria would be established for the distribution of the fund. Schools would be involved in identifying the definition and criteria.
- In response to a question as to whether the fund could be used for purposes other than dealing with energy pressures, it was clarified that the fund was a one-off and primarily to deal with energy pressures and it would be inappropriate to use it for long term funding such as staffing. It was also recognised in the FRM (Finance Resource Model) that energy pressures could remain for longer than the current year in which case this would need to be addressed in next year's budget.
- The concern of the schools Forum regarding the level of the fund and its equitable distribution across schools.
- In response to whether at the end of the current financial year there was a cut in real terms in school funding, it was determined this was not the case, and school budgets were increasing although, not all the budget pressures were covered. In addition, all services were facing a reduction in budgets and all funding provided for schools in the Welsh Government settlement had been passported to schools.

The Committee requested that:

- Scrutiny be given the opportunity to consider the definition and criteria prior to a final decision by the Cabinet.

- Scrutiny be provided with additional confidential information regarding the position of individual schools' budgets to be able to assess the potential impact of the fund.

The Committee remained unconvinced about:

- The distribution of the fund equitably amongst schools.
- The impact of the fund on secondary schools.
- That the proposed budget would not lead to staff redundancies in schools.

The Committee expressed concern:

- That schools could start the process of reducing staff before being aware of whether the fund could be used to assist them in addressing budget pressures. However, it was highlighted that this position was unlikely to occur, as the Schools and Finance Service had been working with schools since the Autumn on indicative budgets and all factors, including use of the fund, would be considered before schools having to look to reduce staff.
- That the fund was to assist schools which are in real difficulty, but in reality, this could be due to other budget pressures rather than energy costs. In response, it was noted that the criteria for use of the fund would determine its use, which would include energy efficiencies. Any case for funding would need to be backed up by a business case and it was suggested that applications would be assessed by a panel.

The Committee suggested:

- That the most appropriate use of the fund would be if it were targeted and used on energy saving measures before being considered for other uses.

**Scrutiny's Recommendations to Cabinet:**

1. That Scrutiny be given the opportunity to consider the definition and criteria prior to a final decision by the Cabinet.
2. That Scrutiny be provided with additional confidential information regarding the position of individual schools' budgets to be able to assess the potential impact of the fund.

<b>6.</b>	<b>WORK PROGRAMME</b>
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**Comments:**

- Request made for updates on Individual Schools budgets to be included in the Work Programme.

**County Councillor R G Thomas (Chair)**